

# **4**

## **CHAPTER**

# **HOUSING**

## **BASIS AND STRUCTURE**

Residential uses occupy approximately 291 acres, or 1.5 percent of the District's land area. The balance of existing development in the Meadowlands District is primarily employment-generating, including industrial, public and quasi-public, commercial, and transportation-related uses. There is little transitional or vacant land that is available and suitable for the development of additional housing. Most housing originally proposed in the District was to be located in wetland areas no longer deemed suitable for development. Recognizing these restraints, this chapter will review basic housing characteristics of the District's fourteen municipalities and the region and inventory the existing housing stock.

## **HOUSING CHARACTERISTICS**

### **Overview**

Chapters 2 and 3 included certain baseline data concerning both the resident population and housing. The primary housing-related characteristics include:

- An in-District population of 10,635 in 2000, a slight 2 percent increase from 1990.
- Total of 4,649 housing units within the District in 2000 with a vacancy rate of 3.4 percent.
- Average household size of District municipalities at 2.68 in 2000, a decline from 2.97 in 1970. The shift is attributed to a profound household transformation over the past three decades resulting in fewer married couples and families with children and more female-headed households, persons living alone, and elderly households.
- Median household income in 2000 of \$61,925 for Bergen County and \$37,189 for Hudson County (In-District income figures are not available.). These figures compare to \$54,226 for the State of New Jersey, which ranks first among the 50 states in terms of median household income.
- An older housing stock, with the majority of housing built prior to 1950. Most of the District's housing is located in Jersey City, Little Ferry, Moonachie, and Secaucus.
- A variety of housing types. Single family (both detached and condominium) and two-family housing are the dominant types in District municipalities, at 41.2 percent and 18.9 percent of all housing units respectively. The relative mix of housing types is influenced by the composition of Jersey City's housing stock, which is mainly located out-of-District. If Jersey City were removed from the calculations, single-family residences would increase to 46.1 percent of the total.

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**FIGURE 4.1 (above)** Single-family houses border Mill Creek in Secaucus. The Town includes a full three-fourths of the District's residential units.



**FIGURE 4.2 (left)** Townhouse development at Harmon Cove in Secaucus represents the District's most up-scale housing. Harmon Cove includes a total of 1,329 townhouse and high-rise units. The residential community stands as a major achievement of the original 1970 Hackensack Meadowlands Comprehensive Land Use Plan.



**FIGURE 4.3** The former site of Teterboro's Department of Public Works facilities was redeveloped in 1999 with twelve townhouse units (inset), five of which are designated as affordable. The Borough's low population had caused problems staffing municipal boards. Teterboro's redevelopment of the site was based on the results of an NJMC investigation of the site and its redevelopment potential. The townhouses are located in close proximity to employment opportunities, major highways, and public transportation. The redevelopment project has brought new housing into a traditionally industrial community.

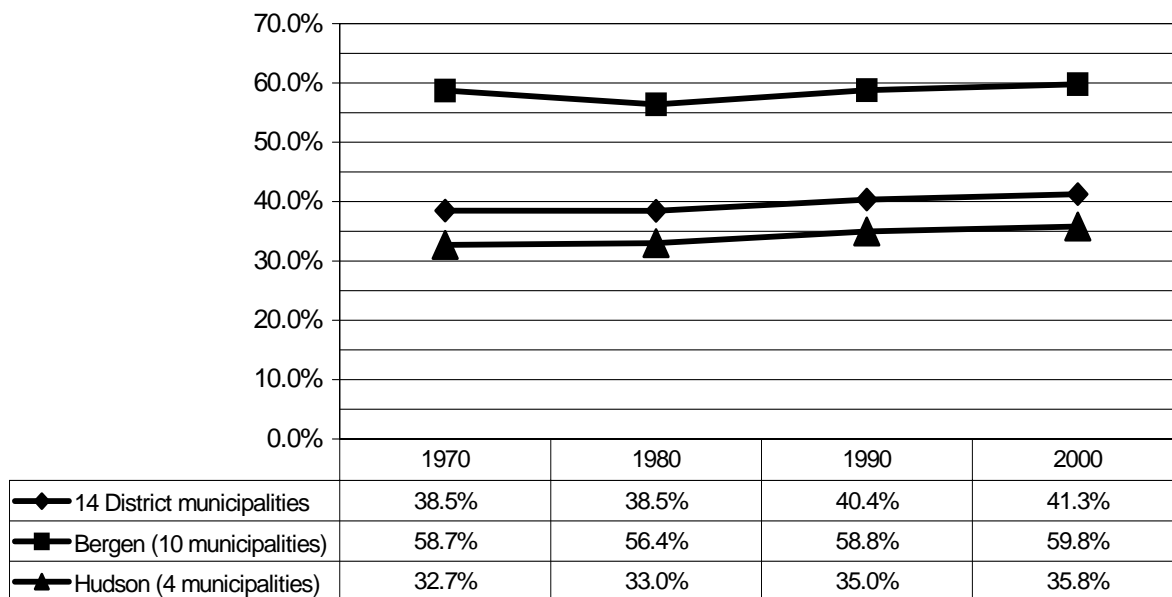
## Housing Tenure and Values

Residents of District municipalities are homeowners at a somewhat lower rate than those of the State and the nation. In 2000, 41.3 percent of housing units were owner-occupied, compared to 66.5 percent Statewide and 67.5 percent nationally. As with housing type, the high number of multi-family housing units in Jersey City skews the data somewhat, although District municipalities in Bergen County also showed a lower rate, just under 60 percent. Figure 4.4 shows homeownership rates from 1970 to 2000.

The fourteen municipalities of the Meadowlands District experienced a modest gain of 2.6 percent in homeownership from 1970 to 2000. The gain by District municipalities was likely moderated by regional factors that resulted in slight declines to the homeownership rates in Bergen and Hudson counties as a whole during the 1990's:

- The construction of rental apartments along the Hudson River waterfront; and
- The influx of immigrants, most entering the housing market as renters. Over time, these immigrants will likely become homeowners in about the same proportion as US-born populations with similar economic characteristics.

**FIGURE 4.4**  
**Homeownership Rates, 1970 - 2000**  
*Municipalities of the Meadowlands District*



Source: US Census, 1970 - 2000

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The aging of the baby boomers, the generation born from 1946 to 1964, should also promote higher ownership rates, as ownership rates tend to increase with the head of household's age. Affordable mortgages and the overall strength of the economy are also key variables in the homeowner equation for the future.

Housing values in the region continue to be relatively high. In 2000, New Jersey's median housing value of \$171,988 was 43 percent higher than the national median and ranked fourth among the fifty states. Hudson County's median value for an owner-occupied unit was somewhat lower at \$154,460, while Bergen County's median value stood significantly higher at \$245,538.

Figure 4.5 assesses housing affordability at the regional and State levels. The data in Figure 4.5 can be used to assess owner affordability in the region via three different methods:

1. **Comparison of median housing costs to median household income.** A common measure of housing affordability for homeowners is that the percentage of housing costs, including mortgage principal and interest, taxes, and insurance, should not exceed 28 percent of income. In more recent years, some lenders have adopted expanded debt-to-income ratios that permit a homeowner to finance up to 33 percent of household income for housing expenses. Applying either standard, the median-income householder in Bergen and Hudson counties and the State could not afford the median household expenses assumed by a householder with a mortgage in the year 2000. Since some mortgage-holders have owned their homes for a period of time, a median-income household attempting to buy the median-priced home today would experience an even greater shortfall in affordability.
2. **Proportion of owners with high housing costs relative to income.** Approximately two out of three homeowners had mortgages in the year 2000. Statewide, almost 31 percent of homeowners with mortgages were paying 30 percent or more of their income for housing expenses. The proportions for homeowners with mortgages in Bergen and Hudson counties were even higher: 35.3 percent and 46.2 percent respectively.

Having no mortgage does not necessarily make housing affordable. Approximately one in five New Jersey homeowners without mortgages were still paying 30 percent or more of their income for housing expenses. For Bergen and Hudson county householders, the proportions were even higher: 23 percent for Bergen County owners and 31.5 percent for Hudson County owners.

<b>FIGURE 4.5</b>			
<b>Housing Affordability Profile</b>			
	<b>Bergen County</b>	<b>Hudson County</b>	<b>New Jersey</b>
<b>All households:</b>			
Median household income	\$ 61,925	\$ 37,189	\$ 54,226
Monthly median household income	\$ 5,160	\$ 3,099	\$ 4,519
<b>Owner affordability:</b>			
Median housing costs for owners with a mortgage	\$ 1,911	\$ 1,549	\$ 1,559
% median housing costs to median income for owners with a mortgage	37.0%	50.0%	34.5%
% owners with a mortgage having monthly housing costs at 30% or more of income	35.3%	46.2%	30.8%
% owners without a mortgage having monthly housing costs at 30% or more of income	23.0%	31.5%	20.8%
Median housing value	\$ 245,538	\$ 154,460	\$ 171,988
Ratio median housing value to median annual income	4.0	4.2	3.2
<b>Renter affordability:</b>			
Median rent	\$ 869	\$ 737	\$ 763
% households with gross rent > 30% or income	37.8%	41.7%	39.5%
<i>Source: Census 2000 Supplementary Survey</i>			

3. **Ratio of housing to income.** Another measure of affordability for prospective homeowners is the ratio of housing value to income. Typically, a ratio of 2.5 or 3.0 is considered affordable. Statewide, the median housing value, when compared to the median household income, shows a ratio of 3.2, exceeding both standards. Bergen and Hudson counties had even higher ratios, at 4.0 and 4.2 respectively. Again, the data demonstrate that housing valued at the median level is not affordable to the median-income household.

Home prices have jumped considerably since the Census 2000 supplementary survey, increasing the gap in affordability for lower and middle income owner households. Trends in the single-family housing market are reviewed in Chapter 8, Economic Vitality.

For rental units to be considered affordable, the gross rent including utilities must not exceed 30 percent of income. The Supplementary Survey indicates that a high percentage of renters are paying more than 30 percent of their income for rent: 37.8 percent of Bergen County renter households and 41.7 percent of Hudson County renter households. The data do not, however, tell us how much financial difficulty certain categories of renters have in meeting their needs for suitable housing.

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Low vacancy rates throughout the region are indicative of a housing shortage. Within the District, 4.2 percent of the dwelling units in District municipalities were vacant at the time of the Census. Slightly over half of these vacant units were available for rent or sale. The remaining vacant units were rented or sold but not yet occupied; reserved for seasonal, recreational or occasional use; used by migrant workers; or vacant for other reason.

### **Condition**

To assure an adequate quality of life for the District's residents, housing must not only be affordable, but of suitable size and condition. Housing may be considered overcrowded if a unit contains more than one occupant per room. A total of 3.4 percent of the housing units in Bergen County and 7.8 percent of the Hudson County units are overcrowded. The data do not provide information regarding the overcrowding due to inadequacies in room sizes or number of bedrooms.

Similarly, there is a lack of adequate, consistent data to determine the state of repair of housing at the District or regional level. The New Jersey Council on Affordable Housing (COAH) defines a substandard housing unit as "a housing unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, a roof, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems) and/or a load bearing structural system."

The Census 2000 Supplementary Survey collected limited information regarding age and housing quality at the county level. Generally, a direct correlation can be found between the age of a jurisdiction's housing stock and its condition. Housing built prior to 1950 can be considered older for this purpose. This includes 37 percent of Bergen County's and 60.5 percent of Hudson County's housing stocks. Bergen County municipalities in the Meadowlands District are likely to have a higher percentage of older housing than the county as a whole.

In addition to the year the housing structure was built, the Supplementary Survey obtained information regarding plumbing and kitchen facilities. A total of 0.4 percent of Bergen County units and 0.2 percent of Hudson County units were reported as lacking complete plumbing facilities. Complete plumbing is defined as having these three facilities: 1) hot and cold piped water, 2) a flush toilet, and 3) a bathtub or shower. Additional survey information concerns housing units that lack complete kitchen facilities. Complete kitchen facilities must have 1) a sink with piped water, 2) a range or stove, and 3) a refrigerator. A total of 0.4 percent of Bergen County units and 0.8 percent of Hudson County units were reported as lacking complete kitchen facilities. Though the data provide some measure of substandard housing in the region, they likely underestimate the numbers of substandard units. A unit could satisfy the Census criteria and still be substandard per the COAH definition.

### KEY CONDITIONS

Housing is a relatively minor land use in the District, comprising 1.5 percent of the total. A total of 2.4 percent of the residents of District municipalities live in-District.

The shortage of suitable, affordable housing will likely be an ongoing issue for many residents of northern New Jersey that will continue to drive the cost of housing. Owners and renters alike can expect to continue experiencing high housing costs in proportion to their total household income.

### SOURCES

Substantive Rules of the New Jersey Council on Affordable Housing, N.J.A.C. 5:93-1.3.

US Bureau of the Census, US Census, 1970-2000.

US Bureau of the Census, Supplementary Survey, 2000.

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